

2005 DRAFTING REQUEST

Bill

Received: 05/12/2005

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Terese Berceau (608) 266-3784

By/Representing: tom

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Business - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email: Rep.Berceau@legis.state.wi.us

Carbon copy (CC:) to: joseph.kreye@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

Gross receipts tax on large retail businesses

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	jkreye 05/16/2005 jkreye 05/19/2005	jdye 05/17/2005 jdye 05/19/2005	pgreensl 05/18/2005	_____	sbasford 05/18/2005		State
/1			pgreensl 05/19/2005	_____	lnorthro 05/19/2005	mbarman 05/19/2005	State

FE Sent For:

At intro

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/P1	jkreye	1/1 5/17 ju	5/17	5/17			
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		1/1 5/17 ju	5/17	5/17			
			PF	PF			

FE Sent For:

<END>

Kreye, Joseph

From: Powell, Thomas
Sent: Tuesday, May 10, 2005 2:45 PM
To: Kreye, Joseph
Subject: A new bill idea

Joe,

Terese has another bill drafting request ... just in case you hadn't heard enough from us lately.
I believe it is in your drafting area, i.e. non-individual taxation.

In short, it is to address the issue of big box stores, a.k.a. Wall-Mart, etc., that are underpaying their employees and failing to provide affordable health care to the degree that, their employees are increasingly showing up on the state Badger Care and Medicaid roles.

The bill is modeled on a Minnesota bill found here: <http://www.newrules.org/retail/bigboxtaxmn.html>
or here: <http://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=S1565.0&session=ls84>)

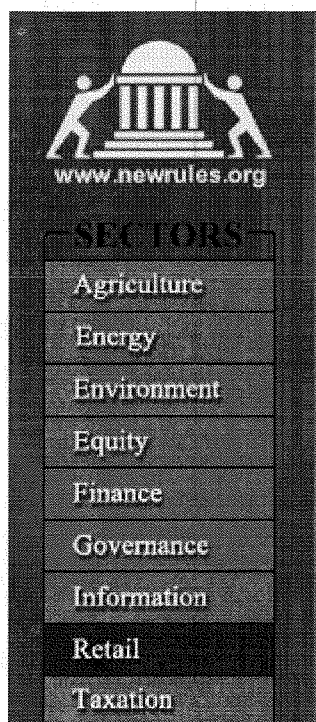
The bill would impose a graduated gross receipts tax on big box stores if they:

- 1) have more \$20 million annually in sales, and
- 1) either do not provide employee compensation below \$22,000 per annum, or
- 2) have more than 25% of their employees working less than 40 hours per week.

Unlike the Minnesota bill, we would like the proceeds from the tax to go to BadgerCare and the state Medicaid fund (or perhaps another program that you could suggest that assists in health care for lower income people).
We can talk about it.

Tom P.

gross receipts as defined in s. 77.51(4)
"retailer" *s. 77.51(13)*
"retailer engaged in business in this state" *s. 77.51(13g)*


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new rules : retail

The Hometown Advantage

Reviving Locally Owned Business

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Big Box Tax - Minnesota (proposed bill)

Sponsored by Representative Bill Hilty, the following bill would impose a tax on the gross receipts (revenue) of retail stores that have more than \$20 million annually in sales and either do not provide employee compensation worth at least \$22,000 per year (including wages, insurance, vacation, and other benefits) or have more than one-quarter of their employees working less than 40 hours a week. The tax is graduated: 1 percent on sales of \$20 to \$30 million; 1.5 percent on sales of \$30 to \$40 million; and 2 percent on sales over \$40 million. (A typical 200,000-square-foot Wal-Mart does about \$80 million a year in sales.) The revenue generated would go to the general fund.

A bill for an act relating to taxation; imposing a gross receipts tax on certain large retail establishments; proposing coding for new law in Minnesota Statutes, chapter 295.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [295.61] [LARGE RETAIL ESTABLISHMENT TAX.]

Subdivision 1. [IMPOSITION; RATE.] A retail gross receipts tax is imposed on sellers from a single taxable establishment, located in this state, with gross receipts from retail sales of consumer goods that exceed \$20,000,000 in a calendar year. This tax is in addition to the tax imposed under chapter 297A. The rate of tax on gross receipts from retail sales of consumer goods for the calendar year is as follows:

- (1) over \$20,000,000 through \$30,000,000, one percent;
- (2) over \$30,000,000 through \$40,000,000, 1.5 percent; and
- (3) all over \$40,000,000, two percent.

Subd. 2. [DEFINITIONS.]

- (a) For purposes of this section, the following terms have the meanings given, unless the context clearly indicates otherwise.
- (b) "Consumer goods" means goods that are used or bought for

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Internet Sales T

use primarily for personal, family, or household purposes, but excludes:

- (1) electricity;
- (2) farm machinery;
- (3) gasoline; and
- (4) motor vehicles.

(c) "Employee compensation package" means the annual total to the employer for an employee for:

- (1) wages or salary;
- (2) leave time, including vacation and sick time;
- (3) insurance, including employer contributions for health, life, disability, and dental insurance;
- (4) retirement plan contributions or payments, including employer contributions required by the federal Insurance Contributions Act, and employer contributions to employee savings, flexible spending, and similar plans; and
- (5) any similar employee benefits identified by the commissioner and published in a revenue notice.

(d) "Farm machinery" means farm machinery exempt from sales tax under section 297A.69, subdivision 4, clause (1).

(e) "Gross receipts" has the meaning given in section 297A.61, subdivision 8, but excludes gross receipts from sales sourced to locations outside of Minnesota under section 297A.668.

(f) "Motor vehicle" has the meaning given in section 297B.01, subdivision 5.

(g) "Retailer" or "seller" has the meaning given in section 297A.61, subdivision 9.

(h) "Retail sale" has the meaning given in section 297A.61, subdivision 4.

(i) "Taxable establishment" means a premises in which retail sales of consumer goods are offered to the general public and the retail sales are conducted by an employer that:

- (1) provides each full-time, nonmanagement or nonprofessional, entry-level employee with an employee compensation package equivalent to less than \$22,000 a year; or
- (2) has more than 25 percent, when annualized, of its employees working less than 40 hours per week.

Subd. 3. [PAYMENT.]

(a) Each retailer subject to tax under this section must make estimated payments of the taxes for the calendar year in quarterly installments to the commissioner by April 15, July 15, October 15, and by January 15 of the following calendar year.

(b) Estimated tax payments are not required if:

(1) the tax for the current calendar year is less than \$500; or

(2) the tax for the previous calendar year is less than \$500, if the retailer had a tax liability and was doing business the entire year.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return, whichever comes first. An underpayment of an estimated installment is the difference between the amount paid and the lesser of:

(1) 90 percent of one quarter of the tax for the calendar year; or

(2) one quarter of the total tax for the previous calendar year if the retailer had a tax liability and was doing business the entire year.

Subd. 4. [ELECTRONIC FUNDS TRANSFER PAYMENTS.] A retailer with an aggregate tax liability of \$120,000 or more during a fiscal year ending June 30 must remit all liabilities by electronic means.

Subd. 5. [ANNUAL RETURN.] The retailer must file an annual return reconciling the estimated payments by March 15 of the following calendar year.

Subd. 6. [FORM OF RETURNS.] The estimated payments and annual return must contain the information and be in the form prescribed by the commissioner.

Subd. 7. [APPLICATION OF OTHER CHAPTERS.] Unless specifically provided otherwise by this section, the enforcement, interest, appeal, criminal penalties, and refunds provisions in chapter 289A, civil penalty provisions applicable to withholding and sales taxes under section 289A.60, and collection and rulemaking provisions under chapter 270, apply to taxes imposed under this section.

Subd. 8. [INTEREST ON OVERPAYMENTS.] Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the tax, whichever is later.

Subd. 9. [DEPOSIT OF REVENUES.] The commissioner shall deposit all revenues, including penalties and interest, derived from the tax imposed by this section in the general fund.

[EFFECTIVE DATE.] This section is effective for sales made after June 30, 2005, except for purposes of tax attributable to gross receipts received in calendar year 2005, the dollar amounts of the

threshold and brackets under subdivision 1 are one-half of the amounts listed.

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The New Rules Project - <http://www.newrules.org/>

*I look at the city box / MA fund
draft*

Kreye, Joseph

From: Moore, Marlia
Sent: Thursday, May 12, 2005 4:44 PM
To: Kreye, Joseph
Subject: RE: A new bill idea

Hi Joe,

If the intent is to have all the proceeds of the tax go to fund MA, then it could be deposited in the MA trust fund. Chapter 25 describes the MA trust fund and the sources of revenue that feed into it. This revenue source would need to be added to the sources. Rob from our tax team thought the this would most likely fit in Ch. 77. Please call me if you have any other questions.

Thanks,
Marlia

-----Original Message-----

From: Kreye, Joseph
Sent: Thursday, May 12, 2005 2:18 PM
To: Morgan, Charlie; Moore, Marlia
Subject: FW: A new bill idea

I received the request below from Rep. Berceau's office to create a tax on large retailers to fund, in part, Badger Care/Medical Assistance/etc. As I indicated in my reply below, I'm not sure where to direct the proceeds of this tax to accomplish the rep's intent. Any suggestion you can offer either Tom or I would be helpful. If I should have sent this information to someone else at LFB, please forward. Thanks.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

From: Kreye, Joseph
Sent: Thursday, May 12, 2005 1:33 PM
To: Powell, Thomas
Subject: RE: A new bill idea

Tom,

Thanks for keeping me busy.

The easy part of this is creating the tax. The hard part is determining where to put the money. The mechanisms in place under current law for funding Badger Care, Medical Assistance, etc, are complicated, involving a maze of appropriations, transfers, deposits, federal funds, etc. I know from past experience that it is often easier with this type of request to have the Fiscal Bureau identify and suggest possible options. The Fiscal Bureau can then tell me specifically which appropriations/funds to amend to accomplish your intent.

I have already completed a preliminary draft creating the tax. I just need to plug in the portion(s) related to how the money should be spent. Let me know if you have any questions. Otherwise I'll wait to hear back from you or the Fiscal Bureau.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau

(608) 266-2263

-----Original Message-----

From: Powell, Thomas
Sent: Tuesday, May 10, 2005 2:45 PM
To: Kreye, Joseph
Subject: A new bill idea

Joe,

Terese has another bill drafting request ... just in case you hadn't heard enough from us lately. I believe it is in your drafting area, i.e. non-individual taxation.

In short, it is to address the issue of big box stores, a.k.a. Wall-Mart, etc., that are underpaying their employees and failing to provide affordable health care to the degree that, their employees are increasingly showing up on the state Badger Care and Medicaid roles.

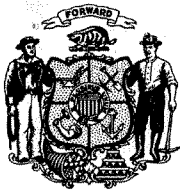
The bill is modeled on a Minnesota bill found here: <http://www.newrules.org/retail/bigboxtaxmn.html> or here: <http://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=S1565.0&session=ls84>)

The bill would impose a graduated gross receipts tax on big box stores if they:

- 1) have more \$20 million annually in sales, and
- 1) either do not provide employee compensation below \$22,000 per annum, or
- 2) have more than 25% of their employees working less than 40 hours per week.

Unlike the Minnesota bill, we would like the proceeds from the tax to go to BadgerCare and the state Medicaid fund (or perhaps another program that you could suggest that assists in health care for lower income people). We can talk about it.

Tom P.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-3022/P1

JK:.....

Jld

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 5-16-05

SDON

D-N

Gen

1

AN ACT ...; relating to: imposing a gross receipts tax on larger retailers to pay

2

for health care benefits provided by the state.

Analysis by the Legislative Reference Bureau

This bill imposes a tax on every retailer engaged in business in this state who has gross receipts from the sale of tangible personal property or taxable services exceeding \$20,000,000 in the taxable year from any location in this state, if the annual compensation that the retailer pays to each of the retailer's entry-level employees who hold a full-time job is less than \$22,000 or if, as averaged for the taxable year, more than 25 percent of the retailer's employees are not holding full-time jobs. The revenue generated by the tax is deposited into the Medical Assistance trust fund.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3

SECTION 1. 25.77 (7) of the statutes is created to read:

4

25.77 (7) All moneys received under s. 77.9972 (3).

5

SECTION 2. Chapter 77 (title) of the statutes is amended to read:

CHAPTER 77**TAXATION OF FOREST CROPLANDS;****REAL ESTATE TRANSFER FEES;****SALES AND USE TAXES; COUNTY****AND SPECIAL DISTRICT SALES****AND USE TAXES; MANAGED FOREST****LAND; TEMPORARY RECYCLING****SURCHARGE; LOCAL FOOD AND****BEVERAGE TAX; LOCAL RENTAL CAR****TAX; PREMIER RESORT AREA****TAXES; STATE RENTAL VEHICLE****FEE; DRY CLEANING FEES; LARGE RETAILER TAX**

SECTION 3. Subchapter XIII of chapter 77 [precedes 77.997] of the statutes is created to read:

CHAPTER 77**SUBCHAPTER XIII****LARGE RETAILER TAX**

77.997 Definitions. In this subchapter:

(1) "Compensation" includes all of the following:

(a) Wages or salary.

(b) Paid leave, including vacation and sick time.

(c) Insurance, including employer contributions for health, life, disability, and dental insurance.

(d) Retirement plan contributions or payments, including employer contributions required under federal law and employer contributions to employee savings, flexible spending accounts, and similar plans.

(e) Any benefits that are similar to the benefits specified under pars. (a) to (d), as determined by the department of revenue.

(2) "Full-time job" means a regular, nonseasonal, nonmanagement, nonprofessional full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays.

(3) "Gross receipts" has the meaning given in s. 77.51 (4).

(4) "Retailer" has the meaning given in s. 77.51 (13).

(5) "Retailer engaged in business in this state" has the meaning given in s. 77.51 (13g).

(6) "Tangible personal property and taxable services" means tangible personal property and services that are subject to the taxes imposed under subch. III of this chapter.

(7) "Taxable year" has the meaning given in s. 71.22 (10).

77.9971 Imposition. (1) A tax is imposed on every retailer engaged in business in this state who has gross receipts from the sale of tangible personal property or taxable services exceeding \$20,000,000 in the taxable year from any location in this state, if the annual compensation that the retailer pays to each of the retailer's entry-level employees who hold a full-time job is less than \$22,000 or if, as averaged for the taxable year, more than 25 percent of the retailer's employees are not holding full-time jobs.

(2) The rate of the tax imposed under sub. (1) is 1 percent of the retailer's gross receipts, as described in sub. (1), for gross receipts exceeding \$20,000,000, but not \$30,000,000, 1.5 percent of the retailer's gross receipts, as described in sub. (1), for the gross receipts exceeding \$30,000,000, but not \$40,000,000, and 2 percent of the retailer's gross receipts, as described in sub. (1), for the gross receipts exceeding \$40,000,000.

77.9972 Administration. (1) The tax imposed under this subchapter is due on the date on which the person's return under ch. 71 is due without regard to any extension.

(2) The department of revenue shall administer the tax under this subchapter and may take any action, conduct any proceeding, and impose interest and penalties.

(3) The revenue from the tax collected under this section, including interest and penalties, shall be deposited into the Medical Assistance trust fund.

(4) Sections 71.74 (1) to (3), (6), (7), and (9) to (15), 71.75 (1), (2), (4), (5), and (6) to (10), 71.76, 71.77, 71.78 (1) to (8), 71.80 (1) (a) to (d), (3), (3m), (6), (8) to (12), (14), and (18), 71.87, 71.88, 71.89, 71.90, 71.91, and 71.93, as they apply to the taxes under ch. 71, apply to the tax imposed under this subchapter.

SECTION 4. Initial applicability.

(1) This act first applies to taxable years beginning on January 1, 2006.

(END)

d-note
↓

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3022/P1dn

JK:.....

Jld

Representative Berceau:

Please review this draft carefully to ensure that it is consistent with your intent. The revenue from the tax created in the bill is deposited into the Medical Assistance trust fund, as suggested by Marlia Moore at the Legislative Fiscal Bureau.✓

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3022/P1dn
JK:jld:pg

May 17, 2005

Representative Berceau:

Please review this draft carefully to ensure that it is consistent with your intent. The revenue from the tax created in the bill is deposited into the Medical Assistance trust fund, as suggested by Marlia Moore at the Legislative Fiscal Bureau.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

5-18-05

Tom - Rep. Berenson

① $\frac{1}{2}$ to Bodys Care? -

② also to companies that pay less than 8% of their payroll to cover health care costs to employees

see email
= 11%

5-19-05

Kreye, Joseph

From: Powell, Thomas
Sent: Wednesday, May 18, 2005 4:56 PM
To: Kreye, Joseph
Subject: Changes to the Berceau Big Box Tax Bill

Joe,

I left a voice mail message for you with two questions about the bill draft:

1) Should the revenue generated from the tax go solely to the Medicare fund, or should some go to the BadgerCare fund, or does it matter?

I only raise the point because the newspaper articles from a while back pointed out that both Medicare and BadgerCare were impacted:

"The total enrollment of Wal-Mart employees and relatives in BadgerCare is **1,175** adults and **638** children. Additionally, another **1,952** children of Wal-Mart employees are insured under Medicaid. The annual taxpayer cost of paying for the health care coverage for Wal-Mart employees and their families in Wisconsin is \$4.75 million, with the state covering \$1.8 million of that sum. The rest comes from the federal government, which splits the costs of BadgerCare and Medicaid with the state."

If our bill only pays back to Medicare but not BadgerCare, are we opening ourselves up to questions of why one and not the other?

2) Could we include a proviso that the tax only effects those businesses that pay less than 11% of their payroll on health care (On my phone message I mentioned 8%, but we've since reconsidered after talking to a number of agency folks)

Thanks again,
Tom P.

Kreye, Joseph

From: Powell, Thomas
Sent: Thursday, May 19, 2005 9:12 AM
To: Kreye, Joseph
Subject: RE: Changes to the Berceau Big Box Tax Bill

Just read your replies.

- 1) On BadgerCare, I'll go with your recommendation to just put the money in MA
- 2) the 11% should apply to all retailer who have more than \$20 mill in gross receipts, not as a third option.

Thanks, Joe.
Tom

From: Kreye, Joseph
Sent: Thursday, May 19, 2005 8:00 AM
To: Powell, Thomas
Subject: RE: Changes to the Berceau Big Box Tax Bill

Tom,

This is a follow-up from my previous e-mail. LRB-3022/P1 applies to retailers who have more than \$20,000,000 in annual gross receipts, if **either** of the following conditions apply: 1) The annual compensation to the retailer's entry-level employees who hold full-time jobs is less than \$22,000 **or** 2) More than 25% of the employees are not holding full-time jobs. How do you want the "11%" provision to fit into this? Do you want it as a 3rd possible condition? Or do you want the bill to apply to retailers who have more than \$20,000,000 in annual gross receipts **and** who pay annual health care costs for their employees in an amount that represents less than 11 percent of the retailer's annual payroll, but only if one of the other two conditions apply?

Please advise.

Joe

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Legislative Reference Bureau
(608) 266-2263

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Thanks again,
Tom P.

Kreye, Joseph

From: Kreye, Joseph
Sent: Thursday, May 19, 2005 7:42 AM
To: Powell, Thomas
Subject: RE: Changes to the Berceau Big Box Tax Bill

Tom,

1. When I mentioned to Marlia Moore at LFB that you wanted the proceeds to go to Medical Assistance and BadgerCare, she suggested just putting the proceeds into the MA trust fund. Some of BadgerCare expenses are paid from the MA trust fund. Other expenses are paid from several sum certain appropriations ("the amounts in the schedule..") which would have to be amended. In addition the amounts in the schedule would need to be changed to reflect revenue increases, but at this point we would not know what those increases would be. Therefore, at this point, the best way to get money to both Medical Assistance and BadgerCare is to put the money in the MA trust fund. Does this make sense?

2. I can add the "11 percent" provision.

Joe

Joseph T. Kreye
Senior Legislative Attorney
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1) Should the revenue generated from the tax go solely to the Medicare fund, or should some go to the BadgerCare fund, or does it matter?

I only raise the point because the newspaper articles from a while back pointed out that both Medicare and BadgerCare were impacted:

"The total enrollment of Wal-Mart employees and relatives in BadgerCare is **1,175** adults and **638** children. Additionally, another **1,952** children of Wal-Mart employees are insured under Medicaid.

The annual taxpayer cost of paying for the health care coverage for Wal-Mart employees and their families in Wisconsin is \$4.75 million, with the state covering \$1.8 million of that sum. The rest comes from the federal government, which splits the costs of BadgerCare and Medicaid with the state."

If our bill only pays back to Medicare but not BadgerCare, are we opening ourselves up to questions of why one and not the other?

2) Could we include a proviso that the tax only effects those businesses that pay less than 11% of their payroll on health care (On my phone message I mentioned 8%, but we've since reconsidered after talking to a number of agency folks)

Thanks again,

Tom P.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-3022/P1

JK:jld:pg

RMnotR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 5-19-05
Today

and who pays health care
costs for the retailer's employees in an amount
that represents less than 10 percent
of the retailer's payroll

Regen

- 1 AN ACT *to amend* chapter 77 (title); and *to create* 25.77 (7) and subchapter XIII
2 of chapter 77 [precedes 77.997] of the statutes; **relating to:** imposing a gross
3 receipts tax on large retailers to pay for health care benefits provided by the
4 state.

Analysis by the Legislative Reference Bureau

WJR This bill imposes a tax on every retailer engaged in business in this state who has gross receipts from the sale of tangible personal property or taxable services exceeding \$20,000,000 in the taxable year from any location in this state, if the annual compensation that the retailer pays to each of the retailer's entry-level employees who hold a full-time job is less than \$22,000 or if, as averaged for the taxable year, more than 25 percent of the retailer's employees are not holding full-time jobs. The revenue generated by the tax is deposited into the Medical Assistance trust fund.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 5 SECTION 1. 25.77 (7) of the statutes is created to read:

25.77 (7) All moneys received under s. 77.9972 (3).

SECTION 2. Chapter 77 (title) of the statutes is amended to read:

CHAPTER 77

TAXATION OF FOREST CROPLANDS;

REAL ESTATE TRANSFER FEES;

SALES AND USE TAXES; COUNTY

AND SPECIAL DISTRICT SALES AND

USE TAXES; MANAGED FOREST LAND;

TEMPORARY RECYCLING SURCHARGE;

LOCAL FOOD AND BEVERAGE TAX;

LOCAL RENTAL CAR TAX; PREMIER

RESORT AREA TAXES; STATE RENTAL

VEHICLE FEE; DRY CLEANING FEES;

LARGE RETAILER TAX

SECTION 3. Subchapter XIII of chapter 77 [precedes 77.997] of the statutes is created to read:

CHAPTER 77

SUBCHAPTER XIII

LARGE RETAILER TAX

77.997 Definitions. In this subchapter:

(1) "Compensation" includes all of the following:

(a) Wages or salary.

(b) Paid leave, including vacation and sick time.

(c) Insurance, including employer contributions for health, life, disability, and dental insurance.

(d) Retirement plan contributions or payments, including employer contributions required under federal law and employer contributions to employee savings, flexible spending accounts, and similar plans.

(e) Any benefits that are similar to the benefits specified under pars. (a) to (d), as determined by the department of revenue.

(2) "Full-time job" means a regular, nonseasonal, nonmanagement, nonprofessional full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays.

(3) "Gross receipts" has the meaning given in s. 77.51 (4).

(4) "Retailer" has the meaning given in s. 77.51 (13).

(5) "Retailer engaged in business in this state" has the meaning given in s. 77.51 (13g).

(6) "Tangible personal property and taxable services" means tangible personal property and services that are subject to the taxes imposed under subch. III.

(7) "Taxable year" has the meaning given in s. 71.22 (10).

77.9971 Imposition. (1) A tax is imposed on every retailer engaged in business in this state who has gross receipts from the sale of tangible personal property or taxable services exceeding \$20,000,000 in the taxable year from any location in this state, if the annual compensation that the retailer pays to each of the retailer's entry-level employees who hold a full-time job is less than \$22,000 or if, as averaged for the taxable year, more than 25 percent of the retailer's employees are not holding full-time jobs.

and who pays health care costs for the retailer's employees in the taxable year in an amount that represents less than 10 percent of the amount of the retailer's payroll in the taxable year

(2) The rate of the tax imposed under sub. (1) is 1 percent of the retailer's gross receipts, as described in sub. (1), for gross receipts exceeding \$20,000,000, but not \$30,000,000, 1.5 percent of the retailer's gross receipts, as described in sub. (1), for the gross receipts exceeding \$30,000,000, but not \$40,000,000, and 2 percent of the retailer's gross receipts, as described in sub. (1), for the gross receipts exceeding \$40,000,000.

77.9972 Administration. (1) The tax imposed under this subchapter is due on the date on which the person's return under ch. 71 is due without regard to any extension.

(2) The department of revenue shall administer the tax under this subchapter and may take any action, conduct any proceeding, and impose interest and penalties.

(3) The revenue from the tax collected under this section, including interest and penalties, shall be deposited into the Medical Assistance trust fund.

(4) Sections 71.74 (1) to (3), (6), (7), and (9) to (15), 71.75 (1), (2), (4), (5), and (6) to (10), 71.76, 71.77, 71.78 (1) to (8), 71.80 (1) (a) to (d), (3), (3m), (6), (8) to (12), (14), and (18), 71.87, 71.88, 71.89, 71.90, 71.91, and 71.93, as they apply to the taxes under ch. 71, apply to the tax imposed under this subchapter.

SECTION 4. Initial applicability.

(1) This act first applies to taxable years beginning on January 1, 2006.

(END)

Barman, Mike

From: Powell, Thomas
Sent: Thursday, May 19, 2005 12:58 PM
To: LRB.Legal
Subject: Draft review: LRB 05-3022/1 Topic: Gross receipts tax on large retail businesses

It has been requested by <Powell, Thomas> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 05-3022/1 Topic: Gross receipts tax on large retail businesses